



Legislation Text

File #: 20-0295, Version: 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Stephanie Katsouleas, Director of Public Works
Prem Kumar, City Engineer
Tim Birthisel, Senior Civil Engineer

SUBJECT:

Consideration of:

- a. A Resolution Awarding a Professional Design Services Agreement to Stantec Consulting Services Inc., for the 2020 Water Master Plan Update Project for \$241,792;
 - b. A Resolution Awarding a Professional Services Agreement to Raftelis Financial Consultants Inc., for the 2020 Water Rate Study for \$74,682; and
 - c. Appropriating an Additional \$20,000 from the Water Fund to the Project (Public Works Director Katsouleas).
- a) **ADOPT RESOLUTION NOS. 20-0121 AND 20-0122**
 - b) **APPROVE APPROPRIATION**

RECOMMENDATION:

Staff recommends that City Council:

- A. Adopt Resolution 20-0121 awarding a Professional Design Services Agreement to Stantec Consulting Services Inc., for the 2020 Water Master Plan Update Project for \$241,792 and authorizing the City Manager to execute the Agreement.
- B. Adopt Resolution 20-0122 awarding a Professional Services Agreement to Raftelis Financial Consults, Inc., for the 2020 Water Rate Study for \$74,682 and authorizing the City Manager to execute the Agreement.
- C. Approve an additional appropriation of \$20,000 from the Water Fund for the Water Rate Study.

FISCAL IMPLICATIONS:

As part of the approved 5-Year Capital Improvement Plan (CIP), City Council previously allocated \$300,000 in the Water Fund for the 2020 Water Master Plan Update, including the Water Rate Study and related services. Given the proposals received, and the expenses identified in the attached Budget and Expenditures summary report for \$316,474, a supplemental appropriation of \$20,000 from the Water Fund balance is required to complete the work. Any unused project funds will revert to the Water Fund balance for future projects.

BACKGROUND:

Water Master Plan

The City currently operates and maintains an extensive water conveyance system, including approximately 106 miles of water pipelines. The water system is operated by the City of Manhattan Beach and includes:

- A ground level reservoir with 2.0 million gallons (mg) constructed capacity (Block 35 Ground Level Reservoir);
- A partially buried reservoir with 7.5 mg constructed capacity (Peck Reservoir);
- An elevated tank with 0.3 mg capacity (Block 35 Elevated Tank);
- Four booster pump stations;
- One imported water supply connection to 45-inch diameter Metropolitan Water District of Southern California's (MWD) West Basin Feeder;
- Two groundwater wells and pumps;
- An emergency connection to 12-inch diameter City of El Segundo transmission main; and
- An emergency connection to 24-inch diameter California Water Service transmission main.

The last Water Master Plan was completed by the City in 2010, and in 2015 the City completed an Urban Water Management Plan. Based on these two documents, staff has implemented improvements identified as high priorities. Staff also coordinates biennial flushing of existing water mains to help maintain peak operational efficiency. Notably, since the completion of the City's previous Water Master plan in 2010, the City has continued to experience significant redevelopment of residential properties, which, in turn, has impacted water pressure on the system due to larger home construction. An evaluation of capacity of the water network, including domestic usage and fire flow analysis is needed to identify which pipes should be upsized to ensure that the network operates as intended.

Water Rate Study

The City's Water Fund supports production, treatment, and distribution of local groundwater, as well as the purchase of imported potable water from the Metropolitan Water District of Southern California (MWD). Since the last water rate increase in 2014, revenues have been lower than originally projected and have been declining, primarily attributable to successful conservation efforts and weather variations.

To address future capital improvement and maintenance costs, a water rate study is needed that will propose balancing affordability of supply while adequately investing in long-term infrastructure, maintaining high water quality, and ensuring reliability and sustainability. The objectives of the Water Rate Study are to:

- Separate consumption costs from infrastructure and maintenance costs.
- Evaluate and provide adequate funding for routine operation & maintenance (O&M) expenditures of the water system, including salaries and benefits of staff, contracted services, and water sustainability programs.
- Fund necessary capital projects (e.g., equipment replacement; water main replacements).
- Fund onetime capital projects (e.g., Block 35).

- Ensure Water Fund reserve levels are sufficient for operational continuity.

DISCUSSION:

The City issued Request for Proposal (RFP) No. E1248-20S on July 21, 2020, for professional design services for the 2020 Water Master Plan Update Project and Water Rate Study. A total of four proposals were received on August 24, 2020. Proposals were evaluated and ranked by an evaluation committee of City staff according to the following selection criteria:

- Understanding the scope of services;
- Firm qualifications and experience performing similar work;
- Project management methods and quality control;
- Qualification and experience of key personnel and sub-consultants; and
- Timeliness/schedule

The top two ranked firms were invited to an interview for further consideration. Based on the selection criteria and interview process, Stantec Consulting Services, Inc. had the best overall proposal at the best value for the 2020 Water Master Plan Update Project. The firm has excellent experience on similar Water Master Plan projects and its references confirmed Stantec Consulting Services, Inc. has provided outstanding services. The Proposal's scope of work and methodology were clearly outlined, sufficient resources were identified to complete the project in a timely manner, and its staff was well qualified, having previously completed many Water Master Plan projects.

The 2020 Water Master Plan Update scope of work entails:

- Data collection and assessment of the existing water system, and review of all available documents of the City's water system.
- Development of computer model, which will analyze system capacity, and water quality requirements for a 10-year planning period.
- Source and regulatory issues including drinking water regulations, and potable water resource and supply limitations.
- Identification and prioritization for upgrading specific water system segments where the current capacity is undersized and cannot convey the design flow rate.
- Development of a Master Plan Report, including an executive summary and a narrative of all tasks performed, findings and recommendations.

However, staff elected not to award the Water Rate Study scope of work to Stantec. During the evaluation process, it became clear that a subcontractor identified in another proposal, Raftelis Financial Consultants Inc., had the most experience and the best overall proposal at the best value to complete the Water Rate Study scope of work. The firm has excellent experience on similar projects with local agencies, and its references confirmed Raftelis Financial Consultants Inc. has provided outstanding services. The proposal's scope of work and methodology were clearly outlined, sufficient resources were identified to complete the project in a timely manner, and its staff was well qualified, having previously completed many Water Rate Study's for public agencies.

The 2020 Water Rate Study scope of work entails evaluating and making recommendations related to the City's:

- Existing water rates and fee schedule revenue generation capacity, and the ability to meet the City's capital, operations, and maintenance infrastructure needs;
- Prioritization of identified water infrastructure needs;
- Five-year (short-term) and 10-year (long-term) CIP programmatic schedule;
- Financing ability to address our capital needs for water infrastructure improvements; and
- Need to develop a fair and reasonable rate structure, and adopt new water rates and fees for a five-year period, as well as develop a ten-year Financial Plan that will provide the necessary revenue to meet the City's future water-related CIP needs.

Once the design and professional services agreements are fully executed, the 2020 Water Master Plan Update Project and 2020 Water Rate Study are expected to take approximately one year to complete.

Therefore, staff recommends that City Council adopt Resolution Nos. 20-0121 and 20-0122 awarding agreements to Stantec for the Water Master Plan Update and to Raftelis Financial Consultants for the Water Rate Study, respectively.

PUBLIC OUTREACH:

No public outreach was conducted regarding this design services award.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to Section 15301 Class 1(d) (repair and maintenance of existing public facilities, involving negligible or no expansion of use) of the State CEQA Guidelines.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENTS:

1. Resolution No. 20-0121
2. Agreement - Stantec Consulting Services, Inc.
3. Resolution No. 20-0122
4. Agreement - Raftelis Financial Consultants, Inc.
5. Budget and Expenditure Summary
6. Location Map